CLEAN VERSION

IN THE SPECIFICATION:

On page 11, delete the paragraph that begins at line 21, and insert the following paragraph:

Block 892 is a statistical processing circuit block for performing statistical processing of the values stored in the accumulation memory. Block 894 is a detected result determination circuit block for determining a value of embedded additional information from its preceding stage and for issuing an indication to the stream conversion circuit. Block 896 is a scramble circuit block for performing authentication with a recording device and for scrambling such stream that is found to contain the additional information.

IN THE CLAIMS:

Cancel claims 1-4 and substitute the following new claims 21-23.

21. (New) A method of recording digital data onto a medium, comprising the steps of:

(a) detecting from said digital data any digital watermark that is electronically embedded in said digital data, wherein said digital watermark is electronically embedded in said digital data through a transformation of said digital data;

(b) if said digital watermark is detected, thereafter performing access control for said digital data using said digital watermark;

(c) thereafter scrambling said digital data and said digital watermark; and

(d) thereafter recording said scrambled digital data and said digital watermark onto a medium.